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**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON**

In re:

Giga Watt Inc.

Debtor

Case No. 18-03197-FPC11

**UNITED STATES TRUSTEE'S OBJECTION
TO DISCLOSURE STATEMENT**

The United States Trustee objects to the Disclosure Statement filed by the Unsecured Creditors' Committee on December 12, 2019 as Docket #431 (the "Disclosure Statement"). The United States Trustee asserts that the Disclosure Statement should not be approved for the following reasons:

1. No proposed plan of reorganization has been filed by the Unsecured Creditors' Committee or anyone else. It is impossible to determine whether the Disclosure Statement contains adequate information about a proposed plan which does not exist.

2. The Disclosure Statement is incomplete. At a minimum, the liquidation value section of the Disclosure Statement at p. 9 contains blanks for the values of estate assets and the amount which the plan would pay to creditors.
3. Interested parties were not given proper notice of the Disclosure Statement. Bankruptcy Rule 2002(b) requires that interested parties be given 28 days notice of and opportunity to object to a proposed disclosure statement in a Chapter 11 case. Here, the notice provided by the Unsecured Creditors' Committee provided only a 24 day objection period. *Docket #437*.
4. The Disclosure Statement describes a proposed plan which is facially un-confirmable. The Disclosure Statement indicates that the plan would limit the amount of administrative expenses to be paid to 60% of the amount of a loan to be made to the reorganized debtor. *Disclosure Statement, p.2, ll.16-18*. It appears from the description in the Disclosure Statement that any administrative expenses in excess of this amount would not be paid. *Disclosure Statement, p.3, ll.4-7*. §1129(a)(9)(A) of the Bankruptcy Code requires as a condition of confirmation that all administrative expenses be paid in full in cash on the effective date of the plan. In the absence of either assurance that all approved administrative expense claims will be paid in full as required¹ a plan may not be confirmed. Because there seems to be no such assurance here, the plan described in the Disclosure Statement would be un-confirmable.

The United States Trustee reserves the right to amend this objection to include any issues raised by any information subsequently provided to the United States Trustee. The United States Trustee further reserves objections to confirmation of a proposed plan of reorganization.

¹ or agreement from each administrative claimant to a different result

For all of the foregoing reasons, the United States Trustee objects to and asks the Court to deny approval of the Disclosure Statement.

The United States Trustee requests a hearing on this objection.

Dated: January 7, 2020

Respectfully submitted,

GREGORY M. GARVIN
Acting United States Trustee

/s/ James D. Perkins
JAMES D. PERKINS
Attorney for the United States Trustee